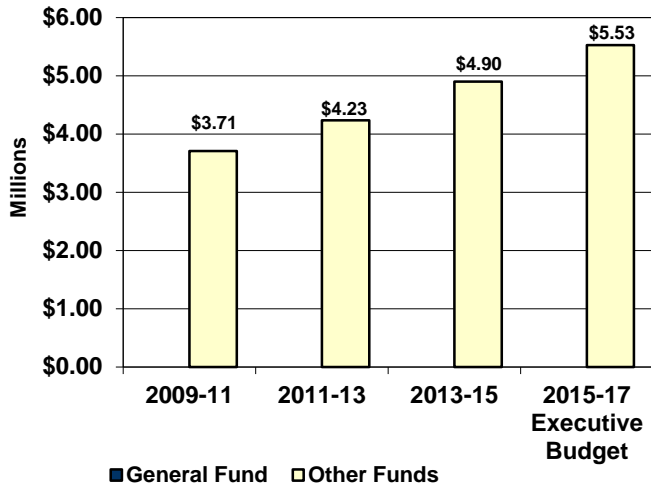


**Department 190 - Retirement and Investment Office  
Senate Bill No. 2022**

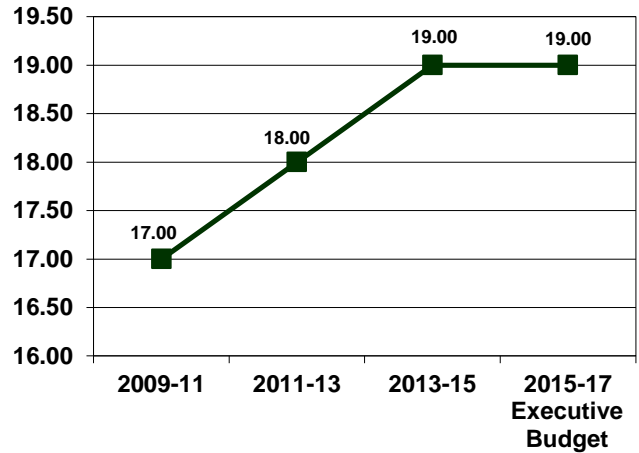
**Executive Budget Comparison to Prior Biennium Appropriations**

	FTE Positions	General Fund	Other Funds	Total
2015-17 Executive Budget	19.00	\$0	\$5,525,000	\$5,525,000
2013-15 Legislative Appropriations	19.00	0	4,899,369	4,899,369
Increase (Decrease)	0.00	\$0	\$625,631	\$625,631

**Agency Funding**



**FTE Positions**



**Executive Budget Comparison to Base Level**

	General Fund	Other Funds	Total
2015-17 Executive Budget	\$0	\$5,525,000	\$5,525,000
2015-17 Base Level	0	4,899,369	4,899,369
Increase (Decrease)	\$0	\$625,631	\$625,631

**First House Action**

Attached is a comparison worksheet detailing first house changes to base level funding and the executive budget.

**Executive Budget Highlights  
(With First House Changes in Bold)**

	General Fund	Other Funds	Total
1. Provides funding for state employee salary and benefit increases, of which \$198,535 relates to performance increases, \$24,769 is for market equity adjustments, \$82,038 is for health insurance increases, and \$22,401 is for retirement contribution increases. <b>The Senate provided funding for performance salary increases of 2 to 4 percent per year and funding for health insurance increases, but did not include funding for market equity increases or retirement contribution increases.</b>	\$0	\$327,743	\$327,743
2. Adds funding for additional salary adjustments to increase the agency's compensation ratio from 94.6 to 97 percent of the market policy points for employees	\$0	\$50,000	\$50,000
3. Adds funding for increases in operating expenses	\$0	\$17,550	\$17,550

**Other Sections in Bill**

**Section 2** - Provides upon approval of the respective boards, the Retirement and Investment Office and the Public Employee's Retirement System may transfer from their respective contingencies line items in subdivision 1 and 2 of section 1 of the bill to all other line items.

### **Continuing Appropriations**

**Investment expenses** - North Dakota Century Code Section 21-10-06.2 - Investment management, custody, consulting, income offset, and due diligence/education costs.

**Benefits and refunds** - Section 15-39.1-05.2 - Benefits and refunds from the Teachers' Fund for Retirement.

**Administrative charges** - Section 15-39.1-05.2 - Income offset and Teachers' Fund for Retirement consulting costs.

### **Significant Audit Findings**

The operational audit for the Retirement and Investment Office conducted by CliftonLarsonAllen LLP, during the 2013-14 interim identified the following significant audit findings:

- For the audit report ending June 30, 2012 - One significant audit adjustment finding for a past audit adjustment.
- For the audit report ending June 30, 2013 - No findings or recommendations.

### **Major Related Legislation**

**House Bill No. 1053** - Requires certain state agencies to obtain centralized desktop support services from the Information Technology Department based on the results of a hardware relocation and consolidation study.

**House Bill No. 1063** - Modifies investment policies for and funds under management of the State Investment Board.

**Retirement and Investment Office - Budget No. 190**  
**Senate Bill No. 2022**  
**Base Level Funding Changes**

	Executive Budget Recommendation				Senate Version			
	FTE Positions	General Fund	Other Funds	Total	FTE Positions	General Fund	Other Funds	Total
<b>2015-17 Biennium Base Level</b>	19.00	\$0	\$4,899,369	\$4,899,369	19.00	\$0	\$4,899,369	\$4,899,369
<b>2015-17 Ongoing Funding Changes</b>								
Base payroll changes			\$230,338	\$230,338			\$230,338	\$230,338
Salary increase - Performance			198,535	198,535			148,434	148,434
Salary increase - Market equity			24,769	24,769				0
Retirement contribution increase			22,401	22,401				0
Health insurance increase			82,038	82,038			82,038	82,038
Employee base level salary adjustment			50,000	50,000			50,000	50,000
Increased operating expenses			17,550	17,550			17,550	17,550
<b>Total ongoing funding changes</b>	<b>0.00</b>	<b>\$0</b>	<b>\$625,631</b>	<b>\$625,631</b>	<b>0.00</b>	<b>\$0</b>	<b>\$528,360</b>	<b>\$528,360</b>
<b>One-time funding items</b>								
Total one-time funding changes	0.00	\$0	\$0	\$0	0.00	\$0	\$0	\$0
<b>Total Changes to Base Level Funding</b>	<b>0.00</b>	<b>\$0</b>	<b>\$625,631</b>	<b>\$625,631</b>	<b>0.00</b>	<b>\$0</b>	<b>\$528,360</b>	<b>\$528,360</b>
<b>2015-17 Total Funding</b>	<b>19.00</b>	<b>\$0</b>	<b>\$5,525,000</b>	<b>\$5,525,000</b>	<b>19.00</b>	<b>\$0</b>	<b>\$5,427,729</b>	<b>\$5,427,729</b>

**Other Sections in Senate Bill No. 2022**

Contingencies line item transfers

**Executive Budget Recommendation**  
 Section 2 provides upon approval of the respective boards, the Retirement and Investment Office and the Public Employees Retirement System may transfer from their respective contingencies line items in subdivisions 1 and 2 of Section 1 of the bill to all other line items.

**Senate Version**  
 Section 2 provides upon approval of the respective boards, the Retirement and Investment Office and the Public Employees Retirement System may transfer from their respective contingencies line items in subdivisions 1 and 2 of Section 1 of the bill to all other line items.